

Message Text

UNCLASSIFIED

PAGE 01 LONDON 12994 060030Z
ACTION EB-08

INFO OCT-01 EUR-12 IO-14 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01
/110 W

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R 051806Z AUG 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 6932
INFO USMISSION GENEVA
AMEMBASSY BRUSSELS

UNCLAS LONDON 12994

MTN ALSO FOR MISSION

USEEC

E.O. 11652: N/A
TAGS: ETRD, EIND, UK
SUBJECT: UK GOVERNMENT STATEMENTS ON SHOE INDUSTRY
REF: LONDON 12504

1. WE NOW HAVE THE FULL TEXT NOT ONLY OF MINISTER OF
STATE FOR INDUSTRY WILLIAMS' ANNOUNCEMENT OF JULY 28
ON THE FOOTWEAR INDUSTRY, BUT ALSO OF THE SUBSEQUENT
HOUSE OF COMMONS DEBATE.

2. WILLIAMS' FAILURE TO REFER TO ACTION UNDER GATT
ARTICLE XIX DISAPPOINTED MANY MPS. ONE NOTED THAT THE
SHOE INDUSTRY HAD APPLIED FOR ARTICLE XIX ACTION IN
MID-JUNE, BUT THE GOVERNMENT HAD MADE NO POSITIVE
RESPONSE.

3. WILLIAMS' RESPONSES INCLUDED THE FOLLOWING PASSAGES:
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"WHEN THE LEVEL OF IMPORTS REACHES THE 52 PERCENT LEVEL
THAT IT HAS ATTAINED THIS YEAR, IT MUST BE A MATTER OF
GRAVE CONCERN. WHILE DISCUSSIONS ARE TAKING PLACE IN
THE MTN ABOUT THE LONGER-TERM ISSUES, WE ARE CONSIDERING
WHETHER ARTICLE XIX ACTION MAY BE APPROPRIATE, BECAUSE
WE HAVE RECEIVED AN APPLICATION FROM THE INDUSTRY TO USE
THAT SECTION....WHILE THE LONG-TERM PROBLEMS ARE CLEARLY

IMPORTANT, IF THE SHORT-TERM PROBLEMS ARE NOT DEALT WITH, THERE MAY NOT BE A LONG TERM. THAT IS WHAT WORRIES MANY HON. MEMBERS. THAT IS WHY WE ARE HAVING THE MOST URGENT CONSIDERATION WITH THE DEPARTMENT OF TRADE ABOUT AN ARTICLE XIX OPERATION. I REMIND THE HOUSE THAT SUBSTANTIAL ACTION HAS ALREADY BEEN TAKEN TO CURB IMPORTS FROM CERTAIN SOURCES. BUT I RECOGNIZE AND UNDERSTAND THE CONCERN THAT EXISTS IN THE INDUSTRY AT THIS STAGE. WE IN THE GOVERNMENT ARE TREATING IT AS A MATTER OF URGENCY....AS REGARDS THE COMECON COUNTRIES...RUBBER FOOTWEAR FROM EASTERN EUROPE IS ALREADY COVERED BY QUOTAS, THAT ALL FOOTWEAR FROM CHINA IS COVERED BY QUOTAS, WE HAVE NEGOTIATED VOLUNTARY RESTRAINT WITH POLAND, CZECHOSLOVAKIA, AND ROMANIA ON LEADER FOOTWEAR AND WE HAVE RECENTLY MANAGED TO GET PRICE ADJUSTMENTS ON FOOTWEAR FROM CZECHOSLOVAKIA AND POLAND AS A RESULT OF AN ANTI-DUMPING PROPOSITION PUT TO US BY THE INDUSTRY. WE HAVE ACHIEVED SOME POSITIVE RESULTS THERE. I CAN UNDERSTAND, HOWEVER, THAT, WITH HIGH LEVELS OF IMPORTS, PEOPLE WILL WANT TO SEE ARTICLE XIX ACTION."

4. ONE MP MENTIONED ITALIAN COMPETITION, AND ASKED TO WHAT EXTENT THE MINISTER WAS INHIBITED BY UK MEMBERSHIP OF THE EC IN TAKING ACTION. WILLIAMS SAID "THE IMPORTANT THING ABOUT COMPETITION WITHIN THE MARKET AND FROM OTHER ADVANCED ECONOMIES, IS THAT IT SHOULD BE ON A FAIR UNCLASSIFIED

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BASIS. ONE HAS TO RECOGNIZE THAT THE ITALIANS' SUPREMACY ON THE CONTINENT IN THIS RESPECT HAS ARISEN SUBSTANTIALLY FROM THEIR GREATER INVESTMENT IN DESIGN.."

5. IN THE FIRST FIVE MONTHS OF THIS YEAR, BRITAIN'S IMPORTS OF FOOTWEAR TOTALLED 60.9 MILLION PAIRS--24.1 PERCENT MORE THAN IN THE SAME PERIOD OF 1976. EXPORTS, ALTHOUGH 19.9 PERCENT ABOVE THE 1976 LEVEL, TOTALLED ONLY 8.2 MILLION PAIRS.

BREWSTER

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Sent Date: 05-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
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